

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 751

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H.P. 572

House of Representatives, February 13, 2007

### An Act To Modernize Maine's Accountancy Laws

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Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative RECTOR of Thomaston.  
Cosponsored by Senator COURTNEY of York and  
Representatives: BEAULIEU of Auburn, CLEARY of Houlton, GOULD of South Berwick,  
PRESCOTT of Topsham, RICHARDSON of Warren, ROBINSON of Raymond, SAMSON of  
Auburn, WOODBURY of Yarmouth.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 32 MRSA §12201, sub-§12**, as enacted by PL 1999, c. 245, §2, is  
3 amended to read:

4 **12. Substantial equivalency.** "Substantial equivalency" ~~is a determination by the~~  
5 ~~board~~ means that the education, examination and experience requirements for certified  
6 public accountants contained in the statutes and administrative rules of another  
7 jurisdiction are comparable to or exceed the education, examination and experience  
8 requirements of the board or that an individual certified public accountant's education,  
9 examination and experience qualifications are comparable to or exceed the education,  
10 examination and experience requirements of the board.

11 **Sec. 2. 32 MRSA §12214, sub-§1**, as amended by PL 1989, c. 483, Pt. A, §53, is  
12 further amended to read:

13 **1. Organization.** The board shall elect annually from among its members a chair  
14 and a secretary who ~~shall be~~ is a certified public accountant. The board shall meet at such  
15 times and places as may be fixed by the board or at the call of the chair or a majority of  
16 the board members. Three members of the board ~~shall~~ constitute a quorum for the  
17 transaction of business, ~~provided that at least one of the 3 members present is the public~~  
18 ~~member or the member who is registered under section 12239.~~ The board may have a  
19 seal. The board shall retain or arrange for the retention of all applications and all  
20 documents under oath that are filed with the board and also records of its proceedings and  
21 it shall maintain a registry of the names and addresses of all licensees under this chapter.  
22 In any proceeding in court, civil or criminal, arising out of or founded upon any  
23 provisions of this chapter, copies of any of the records certified as true copies under the  
24 seal of the board ~~shall be~~ are admissible in evidence as tending to prove the contents of  
25 those records.

26 **Sec. 3. 32 MRSA §12214, sub-§9**, as amended by PL 1995, c. 502, Pt. H, §42, is  
27 further amended to read:

28 **9. Fees.** The board may establish application and examination fees in amounts that  
29 are reasonable and necessary for their respective purposes. All fees must accompany the  
30 applications. Application fees are nonrefundable. Examination fees may not be returned  
31 to an applicant should the applicant fail to pass an examination. ~~Fees for permits may not~~  
32 ~~exceed the following amounts:~~

33 ~~A.— For an initial issuance or renewal of a certified public accountant or public~~  
34 ~~accountant permit, \$100;~~

35 ~~B.— For an initial issuance or renewal of a firm permit, \$100; or~~

36 ~~C.— For an initial issuance or renewal of a firm branch office permit, \$50.~~

37 **Sec. 4. 32 MRSA §12228, sub-§3**, as amended by PL 2005, c. 347, Pt. D, §§1  
38 and 2, is further amended to read:

1       **3. Education requirement.** The education requirement for a certificate, ~~which must~~  
2 ~~be met no later than 120 days after an applicant sits for the examination prescribed in~~  
3 ~~subsection 4~~, is as follows:

4       B. At least 150 semester hours of education, including a minimum 4-year  
5 baccalaureate or higher degree conferred by a college or university acceptable to the  
6 board, the total educational program to include basic courses in accounting and  
7 auditing determined to be appropriate under board rules. Rules adopted by the board  
8 pursuant to this paragraph are routine technical rules as defined in Title 5, chapter  
9 375, subchapter 2-A; and

10       C. An examination applicant who expects to ~~meet the education requirement~~  
11 complete a minimum 4-year baccalaureate or higher degree required in paragraph B  
12 within 120 days following the examination is eligible to take the examination.  
13 Grades may not be released, nor may credit for the examination or any part of the  
14 examination be given to the applicant unless the education requirement is completed  
15 within 120 days following the examination or within such time as the board in its sole  
16 discretion may determine.

17       **Sec. 5. 32 MRSA §12228, sub-§12**, as enacted by PL 1999, c. 245, §5, is  
18 repealed.

19       **Sec. 6. 32 MRSA §12228, sub-§13**, as enacted by PL 1999, c. 245, §5, is  
20 repealed.

21       **Sec. 7. 32 MRSA §12228, sub-§14**, as enacted by PL 1999, c. 245, §5, is  
22 repealed.

23       **Sec. 8. 32 MRSA §12228, sub-§15**, as enacted by PL 1999, c. 245, §5, is  
24 repealed.

25       **Sec. 9. 32 MRSA §12251, sub-§4-A**, as enacted by PL 1999, c. 245, §9, is  
26 repealed.

27       **Sec. 10. 32 MRSA §12251, sub-§4-B** is enacted to read:

28       **4-B. Substantial equivalency.** The requirements for substantial equivalency are as  
29 follows:

30       A. An individual whose principal place of business is outside the State has  
31 qualifications substantially equivalent to the State's requirements and has all the  
32 privileges of a licensee and may provide professional services in the State without the  
33 requirement to obtain a permit under subsection 1 if the individual holds a valid  
34 license as a certified public accountant from a state that the National Qualification  
35 Appraisal Service of the National Association of State Boards of Accountancy, or a  
36 successor organization, has verified to be in substantial equivalence with the certified  
37 public accountant licensure requirements of the National Association of State Boards  
38 of Accountancy and the American Institute of Certified Public Accountants Uniform  
39 Accountancy Act.

1 B. An individual whose principal place of business is outside the State and who  
2 holds a valid license as a certified public accountant from a state that is not in  
3 substantial equivalence with the certified public accountant licensure requirements  
4 under paragraph A has qualifications substantially equivalent to the State's  
5 requirements and has all the privileges of a licensee and may provide professional  
6 services in the State without the requirement to obtain a permit under subsection 1 if  
7 the individual obtains certification from the National Qualification Appraisal Service  
8 of the National Association of State Boards of Accountancy, or a successor  
9 organization, that the individual's certified public accountant qualifications are  
10 substantially equivalent to the certified public accountant licensure requirements of  
11 the National Association of State Boards of Accountancy and the American Institute  
12 of Certified Public Accountants Uniform Accountancy Act.

13 C. As a condition of practicing public accountancy in the State, an individual who  
14 has substantially equivalent qualifications under paragraph A or B and a person or  
15 firm that employs the individual must consent to:

16 (1) Personal and subject matter jurisdiction and disciplinary authority of the  
17 board;

18 (2) Comply with the provisions of this chapter and the board's rules;

19 (3) If the individual's license from the state of the individual's principal place of  
20 business becomes invalid, cease the practice of accountancy in the State; and

21 (4) The appointment of the state board that issued the individual's license as the  
22 individual's agent upon whom process may be served in any action or proceeding  
23 of the board against the individual.

24 **Sec. 11. 32 MRSA §12252, sub-§9** is enacted to read:

25 **9. Firms licensed in other states.** A certified public accountancy firm with a permit  
26 in another state that does not have an office in the State may provide professional services  
27 in the State through an individual who has substantially equivalent qualifications under  
28 section 12251, subsection 4-B, paragraph A or B.

29 **Sec. 12. 32 MRSA §12275, sub-§14** is enacted to read:

30 **14. Substantial equivalency.** For purposes of subsection 1 to 8, an individual  
31 exercising privileges in the State under section 12251, subsection 4-B, paragraph A or B  
32 is deemed to be a licensee or permit holder under section 12252.

33 **Sec. 13. Adjustment of fees.** The Department of Professional and Financial  
34 Regulation, Board of Accountancy, as established by the Maine Revised Statutes, Title 5,  
35 section 12004-A, subsection 1, shall annually adjust the fees required in Title 32, section  
36 12214, subsection 9 so that the total revenue received from the fees neither increases or  
37 decreases relative to the total fees collected in fiscal year 2007.

1

## SUMMARY

2        This bill makes changes to the laws governing the practice of certified public  
3 accountants by allowing a certified public accountant licensed in another jurisdiction to  
4 provide professional services in the State without a permit if the accountant receives  
5 certification from the National Association of State Boards of Accountancy, National  
6 Qualification Appraisal Service that the accountant has substantially equivalent  
7 qualifications to qualifications required by the State. The bill also subjects the out-of-  
8 state accountant to the Board of Accountancy's rules and jurisdiction and requires the  
9 Board of Accountancy to adjust the fees required for a permit to practice accountancy  
10 yearly so that revenues from the fees neither increase or decrease. Finally, this bill  
11 removes limitations on the Board of Accountancy's quorum requirements.